

Honorable Chair, Malia Cohen, and members of the State Board of Equalization,

What is the downside of prescribing a reporting form for Revenue and Tax Code 61(b)?

Revenue and Tax Code 61(b) are taxable "Change in Ownerships" created by private grants on public land for private profits and private benefits that are currently **not** being reported to the assessor.

Private grants are escaping taxation because there is no prescribed reporting form with clear reporting instructions as required per Government Code 15606(d).

The following are ten examples of private grants on public land that are escaping taxation due to no prescribe reporting form:

- 1) License agreements
- 2) Concession agreements
- 3) Use permits
- 4) Special events permits
- 5) Vendor permits
- 6) Merchandise Display permits
- 7) Encroachment permits
- 8) Advertisement fixtures permits
- 9) Trade fixtures permits
- 10) Leases agreements

Revenue and Tax Code 480.5 and 480.6 require the reporting of all taxable "change in ownerships" created by private grants on public land.

Some Counties like San Francisco adopted Revenue and Tax Code 480.5 by ordinance while other counties by default utilized 480.6

Currently there is no reporting form available for counties that adopted 480.5.

There is a reporting form for 480.6; known as the 502-P, however this form is absolutely useless for the following four reasons.

First, the 502-P form fails to capture the said ten different types of private grants created by Revenue and Tax Code 61(b).

Second, the 502-P form fails to provide clear reporting instructions for laypersons utilizing the form.

**STATE BOARD OF EQUALIZATION**



Appeal Name: Shawn Mooney

Case ID: \_\_\_\_\_ ITEM # K1.3

Date: February 26, 2019 Exhibit No: 2.6

TP DEPT MEMBER **PUBLIC COMMENT**

Third, the 502-P form specifically only requires the reporting of "sub-leases" and "assignments" thereby creating confusing as too other types of private grants also required to be reported on public land.

Fourth, logic and common sense dictates sub-leases and assignments are "**sub-uses of leases**", however there is no reporting form for leases.

In other words, you cannot report a sub-lease without first reporting the original lease. That said, the existing 502-P form is completely useless and enabling escaped assessment created by Revenue and Tax Code 61(b).

A "**Billion dollars in public revenue**", is escaping taxation annually statewide because private grants on public land are not being reported to local assessors.

What is the downside of prescribing a meaningful reporting form that captures the many different types of private grants created by Revenue and Tax Code 61(b)?

Signed,

Shawn Karl Mooney